

NEBRASKA ADMINISTRATIVE CODE

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TITLE 213 – NEBRASKA INVESTMENT COUNCIL

CHAPTER 1 - PROCEDURES FOR DISTRIBUTION OF FUNDS TO BANKS, CAPITAL STOCK FINANCIAL INSTITUTIONS, AND QUALIFYING MUTUAL FINANCIAL INSTITUTIONS.

001 Time Deposit Open Accounts

There shall be one plan. The state investment officer shall, out of funds available for investment, offer to all banks, capital stock financial institutions, and qualifying mutual financial institutions in this state a time deposit open account in the amount of \$1,000,000. The bank, capital stock financial institution, and qualifying mutual financial institution may accept such offer in increments of \$100,000. The minimum amount a bank, capital stock financial institution, and qualifying mutual financial institution may request is \$100,000 with no deposit exceeding \$1,000,000. The deposit date shall be the last day of a month. If the last day of the month is not a working day, deposits will be made on the next working day. The interest rate paid shall be fixed monthly on the first working day of each month; interest shall be payable for each month on the last day of the month. If the last day of the month is not a working day, interest shall be payable on the next working day. Interest shall be computed on a 360-day basis. All maturities will be one year from date of deposit. The deposits will be automatically renewable. The state investment officer or the banks, capital stock financial institutions, and qualifying mutual financial institutions may change or terminate the principal amount with thirty days written notice. Banks, capital stock financial institutions, and qualifying mutual fund institutions are required to give 15 business days written notice when requesting a new deposit.

002 Interest Rates

002.01 The state investment officer shall fix the interest rates on the first working day of each month.

002.02 The interest rate shall be the arithmetic averages of the following:

002.02A An average of yields of Treasury Note or Bond issues maturing in the same month one year hence.

002.02B An average of yields of authorized federal agency issues maturing in the same month one year hence. Yields will be attained for available federal agency securities issued by the Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae, and Freddie Mac.

002.02C One year bank certificates of deposit interest rate.

002.03 All quoted yields shall be taken from a reputable financial quote system (i.e. Bloomberg Financial Service) and shall be the prior month end yield. Interest shall be computed and charged on a 360-day basis.

003 Correspondent

All deposits shall be made by the state investment officer in a correspondent bank. Interest and redeemed and/or matured deposits shall be paid by the correspondent bank by charging the accounts of the banks, capital stock financial institutions, and qualifying mutual financial institutions and crediting the Treasurer, State of Nebraska. Correspondents shall be approved by the state investment officer.

004 Collateral

All deposits over \$100,000 shall be secured by collateral as required by the Public Funds Deposit Security Act. A list of acceptable securities that may be pledged are defined by the Nebraska Capital Expansion Act and the Public Funds Deposit Security Act. For the purpose of the investments for which the State Investment Officer is responsible by law, he or she may choose to restrict the types and classes of investments he or she will accept as collateral. For the purposes of the funds distributed to banks, capital stock financial institutions, and qualifying mutual financial institutions, the collateral restriction may occur because of the difficulty in valuing certain types of collateral or the difficulty in collecting on the collateral in the case of a bank default.